

V. B. INDUSTRIES LIMITED

25th Annual Report 2011 - 2012

Board of Directors

Ram Prakash Choudhary	Chairman & Managing Director
Sandip Ray	Independent Director
Raj Kumar Sharma	Independent Director

Registered Office

2, Ganesh Chandra Avenue
2nd Floor
Kolkata-700 013

Bankers

Punjab National Bank

Auditors

M/s. Manabendra Bhattacharyya & Co.
Chartered Accountants

Registrar & Share Transfer Agent

ABS Consultants Private Limited

99, Stephen House
4, B.B.D. Bag (East)
Kolkata-700 002

Annual General Meeting

Date : 28th September 2012
Time : 2.30 P.M.
Venue : 2, Ganesh Chandra Avenue, 2nd Floor
Kolkata 700 013,

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Members are requested to bring their copy of Annual Report at the time of Meeting

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the members of **V. B. INDUSTRIES LIMITED** will be held on Friday, the 28th day of September, 2012 at 3.30 P.M. at 2, Ganesh Chandra Avenue, 2nd Floor , Kolkata-700013, to transact the following businesses as :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2012.
2. To declare dividend.
3. To appoint Director in place of Mr. Raj Kumar Sharma, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

Notes :

1. A member entitled to attend and Vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 21th September 2012 to 28th September 2012 (both days inclusive).
4. A detail of Director seeking re-appointment in this Annual General Meeting is attached separately to the notice.
5. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id vbindustries@gmail.com for quick and prompt redressal of their grievances.
6. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
7. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by the Depository Participant to the Annual General Meeting.
8. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
9. Members are requested to intimate change in their address immediately to M/s ABS Consultants Private Limited, the Company's Registrar and Share Transfer Agents, at their office at 99, Stephen House, 4, B.B.D. Bag (East), Kolkata-700 002.
10. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s ABS Consultants Private Limited, Registrar and Share Transfer Agents of the Company, at their address given above.

11. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
12. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to M/s ABS Consultants Private Limited, Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.
13. Members are requested to bring copies of Annual Report to the Annual General Meeting.
14. The Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
15. Members are requested to quote Folio Number/Client ID in their correspondence.
16. The Equity shares of the Company are listed on Calcutta Exchanges and Listing Fees for the financial year 2011-2012 have been paid to CSE.
17. **Green initiatives in Corporate Governance to receive documents through email by registering your email address :**

The Ministry of Corporate Affairs (MCA) has taken a “Green initiative in the Corporate Governance” by providing an opportunity to the shareholders to register their email address with Company and changes therein from time to time.

The Company will send notices/documents such as Annual Reports and notices by email to the shareholders registering their email address. To support this laudable move of the Government, the members who have not registered their email address, so far, are requested to do so at the earliest, in respect of demat holding through the respective Depository Participant (DP) and in respect of physical holding through the Registrar and Share Transfer Agent (RTA) M/s. ABS Consultants Private Limited.

While every notice/document will be sent through email address registered with the Company, in case you desire to receive any notice/document in physical form, please intimate by email and the same shall be sent to your address registered with the Company/DP.

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

Details of Director seeking appointment / re-appointment in the Annual General Meeting on 28th September 2012 (in term of Clause 49 of the Listing Agreement)

<p><u>Ram Prakash Chowdhary</u></p> <p>Fathers' Name Date of Birth Date of Appointment Expertise in specific functional areas</p> <p>Years of Experience Qualifications List of outside Directorship held Member of Committee on the Board</p> <p>Member/Chairman of Committee in other Companies No. of Shares held in own name or in the name of Relatives</p>	<p>Hargend Chowdhary 12th June 1963 18th March 2010 , Taxation, Capital & Money Market</p> <p>15 Years B.Com Member of Audit Committee, Investor Grievance Committee and Share Transfer Committee Member of Share Transfer Committee in Nil in own name and Nil in the name of Relatives.</p>
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<p><u>Sandip Ray</u></p> <p>Fathers' Name Date of Birth Date of Appointment Expertise in specific functional areas Years of Experience Qualifications List of outside Directorship held Member of Committee on the Board</p> <p>Member/Chairman of Committee in other Companies No. of Shares held in own name or in the name of Relatives</p>	<p>Sri Raj Krishna Ray 1st March 1962 18th March 2010 Accounts, Audit & Taxation Matters 28 Years B.Com. Member – Audit Committee Chairman – Investor Grievance Committee Member – Share Transfer Committee Not Any</p> <p>Nil</p>
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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

The Board of Directors of your Company appointed Mr. Sandip Ray as s Additional Director of your Company at the Board meeting held on 5th February 2009 to broad base the Board.

Mr. Sandip Ray, Age 50, B.Com, has vast knowledge and rich experience in Financial & Income Tax related activities as well as expertise in Accounting, Taxation and secretarial Matters. It will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Sandip Ray for the office of Director of the Company.

Mr. Sandip Ray does not hold any shares in his own name or in the name of his relatives.

Mr. Sandip Ray is not having any other Directorship and Committee Chairmanship in any of the Listed and Public Limited Cos.

Kolkata, June 30, 2012

By order of the Board
For V. B. INDUSTRIES LIMITED

Registered Office :
2, Ganesh Chandra Avenue , 2nd
Floor,
kolkata, 700 013

Ram Prakash Chowdhary
Chairman & Managing Director

Directors' Report, Management Discussions & Analysis

To The Members,

Your Directors have pleasure in presenting the 25th Annual Report of your Company together with the Audited Statements of Accounts for the financial year ended March 31, 2012.

(Rs)

Financial Results	Year Ended 31.03.2012	Year Ended 31.03.2011
Income	13,68,928	2,75,109
Profit before Tax & Extraordinary Items	2,90,763	-21700
Less : Provision for Taxation	89,746	-
Profit after Tax	2,01,017	-21,700
Less Income tax earlier year	92,746	730
Profit available for appropriation	11,87,969	12,10,398
Add : Profit Carried Forward from Previous Year	12,96,140	11,87,969
Appropriated as under :		
Proposed Dividend	0.00	0.00
Corporate Tax on above Dividend	0.00	0.00
Transfer to General Reserve	0.00	0.00
Balance carried forward to Next Year	12,96,140	11,87,969

BUSINESS OPERATIONS

The Business environment remains extremely challenging and the recessionary economic conditions leading to slowdown in demand and inflation pushed scale up of input costs left its adverse imprint on overall performance for 2011-2012. Directors are pleased to inform that in spite of difficult times, your Company, based on its intrinsic strength, has broadly maintained its performance. Gross income from operations remained remarkable figure of around ` 14.40 Lac whereas PAT remains at ` 2.12 during the year.

The Company has no NBFC Business and is registered with Reserve Bank of India (RBI) who is the sole regulatory body for monitoring activities of Registered NBFCs. Further, the Company is also doing investment activities in Capital and Securities Market. Apart from these, the Company is into the business of wealth management and Financial Consultancy services.

FUTURE PLANS

The Current financial year was remarkable year for the Company. The Company has expanded its business and has done very well in spite of adverse Market situation and tight monetary situation. The Company is willing to expand this business more and more in both Capital & Money Market and thus willing to deliver to Members of the Company.

DIVIDEND

In order to conserve resources to meet the working capital requirements, your Directors do not propose any dividend for the year under review.

SUBSIDIARY COMPANY

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves exceeding 20% of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

MANAGEMENT DISCUSSION & ANALYSIS

As required by Clause 49 of Listing Agreement, the Management Discussion and Analysis is annexed and forms part of the Directors' Report.

MANAGEMENT

There is no Change in Management of the Company during the year under review.

DIRECTORS

In accordance with the provisions of Act and Articles of Association of your Company, Mr. Raj Kumar Sharma, Director of your Company, retires by rotation and are due for election at the ensuring Annual General Meeting. Mr. Raj Kumar Sharma, being eligible, offers themselves for re-appointment.

The Board recommends the appointment of both Mr. Ram Prakash Chowdhary and Mr. Sandip Ray. pursuant to the applicable provisions of the Act. The resolutions seeking your approval on this item along with the requisite disclosures/explanatory statement are included in the Notice for convening the Annual General Meeting.

Further, none of the Directors of the Company are disqualified under section 274(1)(g) of the Companies Act 1956.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annuals accounts, for the year ended 31st March 2012, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

INFORMATION TECHNOLOGY

Your Company believes that in addition to progressive thought, it is imperative to invest in research and development to ascertain future exposure and prepare for challenges. In its endeavor to obtain and deliver the best, your Company has entered into alliances/tie-ups with an IT solution Company to harness and tap the latest and the best of technology in the world and deploy/absorb technology wherever feasible, relevant and appropriate.

RESEARCH & DEVELOPMENT

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

AUDITORS

Auditors M/s. Manabendra Bhattacharyya & Co., Chartered Accountants, Kolkata holds the office until the conclusion of ensuing Annual General Meeting. Your Company has received certificate from the Auditors under section 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed.

The shareholders are requested to appoint the Auditors and fix their remuneration.

COMMENTS ON AUDITOR'S REPORT:

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

There were no employees in Company during the year under review.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1975 is reported to be NIL.

PARTICULARS UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956

The Company is having no business other than the business of Investing in Securities Market as well as to lend money to Corporate and HNIs during the year under review and hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be **NIL**.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

REPORT ON CORPORATE GOVERNANCE

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 1956 and the Listing Agreement with the Bombay Stock Exchange Limited. Pursuant to Clause 49 of the Listing Agreement, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

APPRECIATION

Your Directors wish to place on record their appreciation towards the contribution of all the employees of the Company and their gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.

Kolkata, June 30, 2012

By order of the Board
For V. B. INDUSTRIES LIMITED

Registered Office :

2, Ganesh Chandra Avenue, 2nd Floor
Kolkata 700 013

Ram Prakash Chowdhary
Chairman & Managing Director

Management discussion & Analysis

The growth in global economy during 2011-2012 was affected due to impact of high oil prices and certain other commodity prices, the spillover from the Japanese natural disasters and monetary tightening in the Emerging Market Economies (EMEs) to contain inflationary pressures. The global market was also disturbed by perceptions of inadequate solutions to the Euro zone sovereign debt problem, exposure of banks to Euro zone and renewed fears of recession. However, during the last quarter of 2011, the immediate financial market pressures in the Euro zone have been alleviated to some extent, by the European Central Bank (ECB) injecting liquidity of more than one trillion Euros through the two long term refinancing operations. Growth in the Euro zone, however, was negative in quarter IV. The Emerging and Developing Economies (EDEs) are showing signs of slowdown in growth. As a result, the global growth for 2012 and 2013 is expected to be lower than anticipated earlier.

Indian Economy has witnessed a disturbing turn of events. During the year under review, the Indian Economy recorded a growth of 6.9 percent as compared to 8.4 percent in previous year. Both foreign and domestic investors became jittery in the last few months owing to persistent inflation, fiscal deficits, and lack of meaningful reforms in the Indian economy and continued global uncertainty that lead to lower capital inflows. This has also resulted in sharp depreciation of rupee against US dollar from a level of INR 43.94 per USD on 27th July, 2011 to an all-time low of INR 54.23 per USD on 15th December, 2011.

Rupee depreciation has also resulted in an increase in fuel prices as well as commodity prices. High volatility in Forex Market prompted RBI to take several measures for augmenting foreign exchange reserves and for curbing the speculation in foreign exchange.

Reserve Bank of India made adjustments 13 times in policy rates since March 2010 to control inflation and this lead to an increase in lending rate for commercial borrowings and thus resulting in lower growth in the Indian Economy. However in March 2012, Reserve Bank of India reduced the CRR from 5.5 percent to 4.75 percent to take care of structural liquidity deficit. Further on 17th April, 2012 Reserve Bank of India cut the repo rate by 50 bps to 8 percent with immediate effect, reverse repo rate, with a spread of 100 bps below repo rate adjusted to 7 percent. This decision to cut the rate was due to growth decelerating significantly to 6.1 percent in the 3rd quarter of the last year and also due to WPI inflation moderating to below 7 percent by March 2012.

REVIEW OF OPERATIONS

The Company registered a gross income of ` 13.69 Lac as compared to ` 2.75 Lac in previous financial year. PBIT Margin during the year remains ` 2.91 Lac in comparison to last years'

figure of ₹ - 0.22 Lac whereas Net Profit remains at ₹ 1.08 Lac in comparison to last years' figure of ₹ -0.22 Lac.

BUSINESS SEGMENT

The Company is not to the NBFC Business and is registered with Reserve Bank of India (RBI) who is the sole regulatory body for monitoring activities of Registered NBFCs. Further, the Company is also doing investment activities in Capital and Securities Market. Apart from these, the Company is into the business of wealth management and Financial Consultancy services; in accordance with the Accounting Standard 17 notified by Companies (Accounting Standards) Rules 2006.

OPPORTUNITIES

Money markets exist to facilitate efficient transfer of short-term funds between holders and borrowers of cash assets. For the lender/investor, it provides a good return on their funds. For the borrower, it enables rapid and relatively inexpensive acquisition of cash to cover short-term liabilities. One of the primary functions of money market is to provide focal point for RBI's intervention for influencing liquidity and general levels of interest rates in the economy. RBI being the main constituent in the money market aims at ensuring that liquidity and short term interest rates are consistent with the monetary policy objectives.

In Stock Market or Capital Market, the first and for most thing of strength is its ability to provide high return. SEBI is a regulatory body of Indian stock market which protects the interest of the investors which is an added benefit of Stock Market. Large number of securities which provides medium for investment and thus people can make money by way of investing in Stock Market. Large numbers of Brokers are there in Market who plays a role of facilitator for investment.

THREATS & CONCERNS

India may actually end up seeing off an opportunity as a threat. This would largely be driven by the country's weak ability to carry out plans in time due to its political and bureaucratic quality, which is increasingly being accepted as corrupt and inefficient.

Why we say that it would pass off the opportunity as a threat is because this may happen despite India having a top class think tank alive to possible solutions and various scenarios that may emerge.

The current recession does not appear as a purely economic one, and nor will the fallouts be restricted to economics alone. While factors that lead me to conclude this are many, one can quickly look at the maddening fluctuation in oil prices and try convincing them that this is truly economic demand and supply at work. I stand unconvinced.

This recession is a test of political leadership across the world and of the belief in a global economic order.

Unfortunately, performance on both these counts by India's politicians has been far from impressive. One can see it in the state of infrastructure, the delay in taking crucial action and the immediate raising of protective barriers when a global meltdown commenced.

However this can be handled by way of undertaking large private participation projects, Investment and regulate education with a twofold objective - Improve the quality of India's huge population presently in working age group and second undertake effective and radical reforms to ensure all children visit at least part time school, by way of Tax reforms that bring some

order in central vs. state taxation. Cracking down on corruption, which is India's single most important threat. Empowering the Vigilance Commission and set up an executive body not answerable from the political framework (like the army / judiciary) with special windows with judiciary for time bound trials. Focus on ground level corruption initially to ensure public's respect for the law is reinforced first. It would also be more agreeable to the politicians, so there may be a chance that it happens.

RISK MANAGEMENT

We follow Enterprise Risk Management (ERM) tool designed to clarify the risk levels and encourage behavior throughout the Group. The process considers opportunities and threats to short and medium term objectives as defined. ERM ensures the coordination and development of risk management activities throughout all decision making levels and communicates all significant risks to the top level of management. The tool is designed to provide the risk score measures for each of the potential risk as well as its financial, reputational and operational impact by way of quarterly report. The report provides for categorization of risk into threat or opportunity and provides brief statement on its cause, impact, treatment, control measures, level of confidence in the controls, acceptability of identified risks, potential improvements, risk improvement plans critical success factors and target dates to control the risk. The risk assessment is done annually with quarterly updates. The process has been designed to deliver timely results.

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management in the form of a corporate insurance program which has the goal of optimizing the financing of insurable risks by using a combination of risk retention and risk transfer. The program covers all potential risks relating to business operations of the Company at its various locations.

The Company's business critical software is operated on a server with regular maintenance and back-up of data and is connected to centralized computer center with two physically separated server parks operated by the Company. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. The global communication network is managed centrally and is equipped to deal with failures and breakdowns. Updated tools are regularly loaded to ensure a virus free environment.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has implemented a comprehensive system of internal controls and risk management systems for achieving operational efficiency, optimal utilisation of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

The Company has retained the services of independent firms of professionals to function as internal auditors and provide reports on various activities covering observations on adequacy of internal controls and their recommendations. Findings of internal audit reports and effectiveness of internal control measures are reviewed by top management and audit committee of the Board. During the year, internal audit team of Company performed audits of major operational areas of the Company and carried out elaborate checks and verification and shared their findings with top management for remediation of minor gaps wherever required.

HUMAN RESOURCES

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2011-12, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

The Company believes that learning is an ongoing process. Towards this end, the Company has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programme.

The total number of employees on the rolls of the Company as on 31st March 2012 was 3 as against 1 as at 31st March 2011.

CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

CAUTIONARY STATEMENT

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

COMPLIANCE

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years except reinstatement fees paid to BSE for revocation of suspension from trading in the Equity Shares of the Company.

Kolkata, June 30, 2012

By order of the Board
For V. B. INDUSTRIES LIMITED

Registered Office :
2, Ganesh Chandra Avenue, 2nd Floor,
Kolkata 700 013

Ram Prakash Chowdhary
Chairman & Managing Director

Annexure to the Directors' Report

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Compliance with the requirements of Corporate Governance is set out below :-

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the set of systems and practices to ensure that the affairs of the Company are being managed in a way that ensures accountability, transparency and fairness in all its transactions and meet its stakeholders' aspirations and societal expectations.

V. B. INDUSTRIES LIMITED (VBL) is committed to international compliance standards, to ensure checks and balances between the board and management as well as a sustainable approach to value creation. In defining the management structure, organisation and processes of the Company, the corporate governance principles aim to provide stakeholders value and transparency to promote sustainable long-term success. This is demonstrated in shareholders returns, high credit ratings, governance processes and customer focused work environment. The Company believes that adherence to business ethics and commitment to corporate governance will help the Company to achieve its goal of maximizing value for all its stakeholders and endeavors to not only match international standards but also strives to set a benchmark for corporate governance initiatives.

BOARD OF DIRECTORS

COMPOSITION OF DIRECTORS

The Board has three members with an executive Chairman. The Independent Directors on the Board are competent and highly respected professionals from their respective fields and have vast experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as members of the Board. The day to day management of the Company is conducted by Managing Director subject to supervisions and control of the Board.

All the Directors are liable to retire by rotation as per Article 128 of the Article of Association and eligible for re-election.

None of the non-executive directors has any material pecuniary relationships or transactions with the company, its promoters, directors and associates which in their judgment would affect their independence. None of the directors are inter-se related to each other.

The Board of Directors met 7 times on 19th April, 14th May, 30th June, 13th August, 12th October and 28th October in year 2011 and on 19th January in the year 2012 during the financial year 2011-2012.

Details of Composition of Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting, number of other directorship are given below :-

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership in Other Companies	Committee Chairman Ship in Other Companies	No. of Directorship in other Public Ltd. Co.
Ram Prakash Chowdhary*	Chairman & Managing Director	7	Yes	1	Nil	1
Sandip Ray	Independent Director	7	Yes	nil	2	Nil
Raj Kumar Sharma	Independent Director	7	Yes	1	1	1

AUDIT COMMITTEE

The Audit Committee consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise. The Audit Committee has been re-constituted w.e.f. 1st April 2011.

The primary purpose of the Audit Committee is to assist the Board of Directors (the “Board”) of V. B. INDUSTRIES LIMITED. (the “Company”) in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, any stock exchange and others, (b) the Company’s compliances with legal and regulatory requirements, (c) the Company’s independent auditors’ qualification and independence, (d) the audit of the Company’s Financial statements, and the performance of the Company’s internal audit function and its Independent Auditors.

AUTHORITY AND RESPONSIBILITIES

The Audit Committee reviews the Company’s financial reporting process, disclosure of accounting treatment, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, Compliance with listing and other legal requirements relating to financial statements, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company’s accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, scope for

observations of the auditors and adequacy of the internal audit function, discussion with internal auditors any significant findings and follow up there on, To review the functioning of the Whistle Blower mechanism, Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate etc.

In addition to the above, Audit Committee reviews the followings :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
4. Internal audit reports relating to internal control weaknesses;
5. To review the annual financial statements and to recommend their adoption to the Board, with particular reference to disclosure of any related party transaction.
6. To review the Quarterly financial statements and recommend their adoption to the Board.
7. The appointment, removal and terms of remuneration of the Chief internal auditor;

As required under Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement, the new “Terms of Reference” of the Audit Committee were approved by the Board of Directors at its meeting held on 5th January 2010.

The members of Audit Committee met four times on – 30th June, 12th August and 12th October in year 2011 & on 19th February 2012 during the financial year ended on 31st March 2012.

Name	Number of Meetings Held	Meetings Attended
Ram Prakash Chowdhary	4	4
Raj Kumar Sharma	4	4
Sandip Ray*	4	4

* Chairman of the Committee

REMUNERATION COMMITTEE

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement), the details pertaining to the same are not provided

Details of Remuneration paid to Directors

The payment of salary to Directors was Nil during the financial year 2011-2012.

No Stock option has been allotted to any of the Directors during the financial year 2011-2012.

None of the Independent Directors holds any shares in their name or in the name of their relatives.

SHARE TRANSFER COMMITTEE

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. Raj Kumar Sharma; Independent Director with two other Directors namely Mr. Sandip Ray & Mr. Ram Prakash Chowdhary.

The members of Share Transfer Committee met four times on 30th June, 13th August and 12th October in year 2011 & on 19th February 2012 during the financial year ended on 31st March 2012.

Name	Number of Meetings Held	Meetings Attended
Mr. Sandip Ray	4	4

Mr. Ram Prakash Chowdhary	4	4
Mr. Raj Kumar Sharma*	4	4

*Chairman of Committee

Investor Grievance Committee

The Board of V. B. INDUSTRIES LIMITED has constituted a Committee of Directors, which inter-alia also functions as “Shareholders/Investors” Grievance Committee, consisting of three members, chaired by a Non-Executive, Independent Director. The Committee meets once a month and inter-alia, deals with various matter relating to:

- ✓ Transfer/transmission/transposition of shares;
- ✓ Consolidation/splitting of shares/folios;
- ✓ Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- ✓ Review of Shares dematerialized and all other related matters; and
- ✓ Investors’ grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agent, M/s. ABS Consultants Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Shareholders’/Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

Compliance Officer

The Company has appointed Mr. Puspal Chandra as a Compliance Officer within the meaning of Listing Agreement.

Composition of Committee and Meetings attended

During the year, twelve meetings of the Committee of Directors were held on April 4, May 2, June 1, July 1, August 2, September 1, October 3, November 2, and December 1st in year 2011 and on January 3, February 1 and March 2 in year 2012.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

Name	Position	Category	Meetings Attended
Mr. Sandip Ray*	Chairman	Independent, Non-Executive	12
Mr. Raj Kumar Sharma	Member	Independent, Non-Executive	12
Mr. Ram Prakash Chowdhary	Member	Promoter, Executive	12

*Chairman of Committee

Details of Shareholders’ Complaints

During the year the Company did not receive any complaint from any of the share holder and there was no pending complaint at the close of the financial year. Further, as required under Clause 47C of the Listing Agreement, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
24th Annual General Meeting	29 th September 2011, 3.30 PM	2, Ganesh Chandra Avenue, 2nd Floor, Kolkata-700 013
23 th Annual General Meeting	30 th September 2010, 3.30 PM	2, Ganesh Chandra Avenue, 2nd Floor, Kolkata-700 013
22 th Annual General Meeting	30 th September 2009, 4.00 PM	2, Ganesh Chandra Avenue, 2nd Floor, Kolkata-700 013

Special Resolution passed at last three Annual General Meetings:

During the financial year 2011-12, Special Resolution was passed seeking appointment of Mr. Raj Kumar Sharma as Non-Executive, Independent Director, , No Special Resolution was being proposed or passed by the Members of the Company.

Passing of Resolution by Postal Ballot:

No Special Resolution has passed through Postal Ballot Rules during last three years.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

Extra-Ordinary General Meeting

An Extra-Ordinary General Meeting was held by the Company during the financial year ended 31st March 2012.

BOARD DISCLOSURES

Risk Management

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following :-

- ❖ Governance of Risk
- ❖ Identification of Risk
- ❖ Assessment of Control of Risk

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading. Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a `Code of Conduct` for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Officer has been appointed for monitoring adherence to the said Regulations.

DISCLOSURES

- (a) There are no transactions with related parties i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof. However whistle blower policy has not been formed during the year under review. Further, we affirm that no personnel has been denied access to the Audit Committee.
- (d) **Reconciliation of Share Capital:-** A qualified Practicing Company Secretary carried out Secretarial Audit on quarterly basis to reconcile the total admitted capital with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL) and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company have served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) The Company has not setup Compensation and Remuneration Committee.
- c) There was no case of Non-Compliance during financial year 2011-12 in term of provisions of Listing Agreement entered into with CSE & BhSE by the Company. Further, no penalties have been levied or actions have been taken by CSE & BhSE or SEBI during last three years.
- d) We publish our quarterly results and half yearly results in widely circulated newspapers whereas we did not send half yearly results to any of shareholders.
- e) The financial statements of the Company are unqualified.

- f) The Board of Directors of the Company at its meeting held on 5th January 2010 have adopted the Whistle Blower Policy and appointed an ombudsperson. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct Policy. No Employee has been denied access to the Audit Committee.

MEANS OF COMMUNICATIONS

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Calcutta Stock Exchange Ltd. and published in the leading English Newspapers i.e. Bengal Leader and in vernacular language Newspaper i.e. Dainiklipi.
- Company posts its Quarterly Results/Half Yearly/Nine Months & Annual Results on its website www.primecapitalmarket.com.
- Official News releases have been posted on its web portal www.vbindustries.com.
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report will be posted to the shareholders of the Company.

GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.

SHAREHOLDERS' INFORMATION

a. Next Annual General Meeting

The information regarding 25th Annual General Meeting for the financial year ended on 31st March 2012 is as follows :-

Date : 28th September 2012
 Time : 1.30 P.M.
 Venue : 2, Ganesh Chandra Avenue, 2nd Floor, Kolkata 700 013

b. **Financial Calendar** : 1st April to 31st March.

c. **Future Calendar** :

Subject Matter	Date
Financial Reporting of 1 st Quarter ended on 30 th June 2012	14 th August, 2012
Financial Reporting of 2 nd Quarter ended on 30 th September 2012	15 th November, 2012
Financial Reporting of 3 rd Quarter ended on 31 st December 2012	15 th February 2013
Financial Reporting of 4 th Quarter ended on 31 st March 2013	30 th May 2013
Date of Annual General Meeting	During September 2013

d. **Date of Book Closure** : 21st Sept. 2012 to 28th Sept. 2012. (Both days inclusive)

e. **Dividend Payment** : Nil

f. **Listing of Shares** : Kolkata, Stock Exchanges

- g. Custody Charges & Listing Fees** : Annual Custody Charges to NSDL & CDSL and Annual Listing Fees for Financial year 2011-2012 have been paid.
- h. Stock Code & ISIN Code** : 10025057 on CSE
: INE334E01017 on CDSL & NSDL
- i. Market Price Data** : Due to thin volume as well as non-availability of Market Price Data of the Scrip on CSE, we are unable to produce the same for the Scrip vs. CSE Sensex.

j. Registrar & Share Transfer Agent.

M/s. ABS Consultants Private Limited has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of both physical and electronic mode. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

M/s. ABS Consultants Private Limited

99, Stephen House, 4, B.B.D. Bag (East), Kolkata-700 002

k. Share Transfer Systems

The Share transfer is processed by the Registrar & Share Transfer Agent, **ABS Consultants Private Limited** and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

l. Distribution of Shareholding as on 31st March 2012

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-500	152	81.28	72329	0.55
501-1000	-	-	-	-
1001-2000	-	-	-	-
2001-3000	-	-	-	-
3001-4000	-	-	-	-
4001-5000	-	-	-	-
5001-10000	3	1.60	117500	0.90
10001-50000	-	-	-	-
50001-100000	26	13.91	1250171	9.54
100001 & above	6	3.21	11667950	89.01
Total....	187	100.00	13107950	100.00

m. Shareholding Pattern as on 31st March 2012

Categories	No. of Shares	% of Shareholding
Promoters, Directors & Relatives & Person acting in concert	117500	0.90
Indian Bank / Mutual Funds	0	0
NRI/OCBS	0	0
Private Corporate Bodies	11667950	89.01
Indian Public	1322500	10.09
Total	13107950	100.00

n. Dematerialization of Shares & Liquidity

The Company's Equity Shares are in Demat trading segment and the Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

Procedures for dematerialization / rematerialization of Equity Shares:-

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of Shares.

The Shares of Company are traded on Calcutta Stock Exchange Ltd. 89.44% of the Company's Equity Share Capital held under Public category has been dematerialized up to 31st March 2012.

o. Nomination

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

p. Requirement of PAN Card in case of Transfer of Shares in Physical Form

Pursuant to SEBI Circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.

q. For the Attention of Shareholders holding shares in electronic form

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

r. Details on use of Public Funds Obtained in the last three years :

No Fund has been raised during last three financial years.

s. Investors Correspondence

Shareholders can contact the following Officials for secretarial matters of the Company :-

Mr. Puspal Chandra - Tel : 033-2234 6715

t. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :

Not Applicable.

u. Code of Conduct

The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed

compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

v. Registered Office

2, Ganesh Chandra Avenue,
2nd Floor, Kolkata-700 013

URL : www.vbindustries.com

Chairman & Managing Director's Declaration on Code of Conduct

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:

The Members of

V. B. INDUSTRIES LIMITED

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **V. B. Industries Ltd.**

Ram Prakash Chowdhary
Chairman & Managing Director

**ANNUAL CERTIFICATE UNDER CLAUSE 49(I)(D) OF THE LISTING AGREEMENT
WITH THE STOCK EXCHANGES**

I, Ram Prakash Chowdhary, Chairman & Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March 2012.

For **V. B. INDUSTRIES LIMITED**

Kolkata, June 30, 2012

**Ram Prakash Chowdhary
Chairman & Managing Director**

Secretarial Compliance Report for the Year ended 31st March 2012

**The Board of Directors,
V. B. INDUSTRIES LIMITED**

We have examined the registers, records and papers of M/s. V. B. INDUSTRIES LIMITED as required to be maintained under the Companies Act, 1956, (hereinafter referred to as “The Act”), the rules made thereunder and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March 2012.

On the basis of our examination as well as information and explanations furnished by the Company and the records made available to us, we report that:

1. The Company has kept and maintained all registers and records as per Annexure “A” to this certificate, as per the provisions of the Companies Act 1956 (the Act) and the rules made there under and all entries therein have been duly recorded during the year.
2. The Company has filed the forms and return as stated in Annexure “B” to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company has given proper notice along with the agenda for convening of Board Meeting, Committee Meetings and Annual General Meetings during the year.
4. The proceedings of the Meetings were properly recorded in the Minutes Books during the year.
5. The Board of Directors of the Company is duly constituted during the year.
6. The Company has obtained all the necessary approvals from the Board and Shareholders as required by the Act during the year.
7. The Company has not accepted any Deposit in terms of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules, 1975 during the year.
8. The Company has complied with the provisions of section 154 of the Act during the year.
9. The Company has declared dividend and paid to the eligible shareholders in compliance with the provisions of section 205 of the Act during the year.

10. The Company has not paid any remuneration to the Managing Director and sitting fees to the Directors of the Company during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.
11. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
12. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act during the year.
13. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.
14. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions section 299 of the Act.
15. The Company has not appointed any person as a place of profit in terms of section 314 of the Act during the year.
16. The Company has not issued any duplicate share certificate during the financial year.
17. The Company has complied with the provisions of section 372A of the Act.
18. The Company :
 - a) has delivered all the Share Certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - b) has deposited amount in a separate Bank Account as against declaration of Dividend during the year.
 - c) has posted warrants to members of the Company within the required time frame as against payment of Dividend to Members.
 - d) Was not required to transfer any amount to Investor Education and Protection Fund.
 - e) Was duly complied with the requirement of section 217.
19. The Board of Directors of the Company is duly constituted and there was no appointment of Additional Director/s alternate Director/s and Directors to fill the casual vacancy during the financial year.
20. The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
21. The Company has not issued any Shares, Debentures or other Securities during the financial year.
22. The Company has not bought back any share during the financial year.
23. There was no redemption of preference shares or debentures during the financial year.
24. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
25. As per the information and explanation given, the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 15A during the financial year.
26. The Company has not borrowed fund from its Directors, members, public, financial institutions, banks and others during the financial year ending on 31st March 2012.
27. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny

28. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
30. The Company has not altered its Memorandum of Association and Articles of Association with respect to the Share Capital of the Company.
31. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year 2011-12.

For **Acharya S. K. & Associates**
Company Secretaries

Place : Kolkata

Date : June 30, 2012

Subrat Kumar Acharya
Proprietor
C.P. No. 5903

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **V. B. INDUSTRIES LIMITED**

We have examined the compliance of the conditions of Corporate Governance by **V. B. INDUSTRIES Ltd.** (The Company) for the year ended 31st March 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with all stock exchanges where the Shares of Company are listed.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with the management has conducted the affairs of the Company.

For **Manabendra Bhattacharyya & Co.**
Chartered Accountants

Place : Kolkata

Date : June 30, 2012

Amit Bhattacharjee
Proprietor
Membership No. 50714

Audit Report

We have audited the attached Balance Sheet of **V. B. INDUSTRIES LIMITED** as at 31st March 2012 and also the Profit & Loss Account for the year ended on that day annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- a. As required by the Companies (Auditors' Report) Order, 2003 issued by the Department of Company Affairs in terms of Section 227 (4A) of the Companies Act 1956, we enclose in the Annexure, a statement on the matter specified in the said Order to the extent applicable;
- b. Further to our comments in the annexure referred to in paragraph 1 above –
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts'
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement together with notes of accounts dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956.
 - v. On the basis of written representations received from the Directors, as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 1. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
 2. in the case of the Profit and Loss Account, of the Profit for the year ended on that date;
 3. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **Manabendra Bhattacharyya & Co.**
Chartered Accountants

Place : Kolkata
Date : June 30, 2012

Amit Bhattacharjee
Proprietor
Membership No. 50714

Annexure to the Auditors' Report

(Referred to in Paragraph 1 of our report of even date)

1.
 - (a) The Company has maintained proper books of records showing full particulars including quantitative details and situations of fixed assets.
 - (b) As per the information and explanations given to us, the Company has carried out physical verification of fixed assets during the year. In our opinion, the frequency of such verification is reasonable.
 - (c) In our opinion and according to the information and explanation given to us, the Company has not made any substantial disposal during the year.
 - (d) The procedure of physical verification of stock & securities followed by management are reasonable and adequate in relation to the size of the Company nature of its business.
2. The Company does not have any inventories. Accordingly the Clause 4(ii) of the Companies, (Auditors' Report) Order 2003 is not applicable.
3.
 - (a) According to the information and explanation given to us and on the basis of records furnished before us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) In view of above, Clause 4(iii)(a),(b),(c) and (d) of Companies (Auditors' Report) Order, 2003 are not applicable.
 - (c) According to the information and explanation given to us and on the basis of records furnished before us for the verification, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - (d) In view of above, clause 4(iii)(e), (f) and (g) of Companies (Auditors' Report) Order, 2003 are not applicable.
4. In our opinion and according the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of business with regard to purchase and sales. During the course of our Audit, we have not observed any continuing failure to correct major weakness of internal audit.
5.
 - (a) In our opinion and according the information & explanations given to us, the particulars of contract or arrangements that were required to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so entered in the said register.
 - (b) In respect of transactions entered exceeding the value of five lac in the register maintained in pursuance of Section 301 of the Companies Act 1956, according to information and explanation given to us, the transactions made pursuance of such contracts or arrangements have been made at prices which are prima-facie reasonable having regard to prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public hence Clause 4(vi) of Companies (Auditors' Report) Order 2003 is not applicable.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act 1956 in respect of products dealt with by the Company.
9.
 - (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investors' Education & Protection Fund, Employees State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, CESS and any other statutory dues have been regularly deposited in time during the year with appropriate authorities and there are no undisputed statutory dues payable for a period of six months from the date they became payable as at 31st March 2012.
 - (b) According to the information and explanation given to us there are no disputes pending before the authorities in respect of Sales Tax, Income Tax, Custom Duty and CESS.
10. The Company does not have accumulated losses as at the end of financial year and has not incurred cash losses in the current financial year and in the immediate preceding financial year.
11. According to the records made available to us and information and explanation given to us by the management, the Company has not defaulted in repayment of any dues to financial institutions or banks.
12. According to the information and explanations given to us, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not chit fund, nidhi, mutual fund and societies and accordingly clause 4(xiii) of Companies (Auditors' Report) Order, 2003 is not applicable.
14. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of transactions and contracts relating to dealing in shares, securities and other investments during the year and timely entries have been made therein. Further, such securities have been held by the Company in its own name or are in the process of transfer in its name, except to the extent of the exemption granted section 49 of the Act.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from Banks & Financial Institutions. Accordingly Clause 4(xv) of Companies (Auditors' Report) Order, 2003 is not applicable.
16. In our opinion and according to the information and explanations given to us, the Company has not obtained any Term Loan. Accordingly Clause 4(xvi) of Companies (Auditors' Report) Order, 2003 is not applicable.

17. According to the information and explanations given to us and on the basis of and overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been utilized for long term investment and vice versa.
18. The company has not made preferential allotment of shares to parties and/or to the companies covered in the register maintained under section 301 of the Companies Act 1956. Therefore, the provisions of clause 4(xviii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
19. During the period, the Company has not issued unsecured debentures on private placement basis and therefore, the provisions of clause 4(xix) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
20. The Company has not raised any money through public issue during the year and therefore, the provisions of clause 4(xx) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
21. During the course of examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the period nor we have been informed of such instances by the management.

For Manabendra Bhattacharyya & Co.
Chartered Accountants

Place : Kolkata
Date : June 30, 2012

Amit Bhattacharjee
Proprietor
Membership No. 50714

V . B. INDUSTRIES LIMITED
BALANCE SHEET AS AT 31st MARCH, 2012

PARTICULARS	Note No.	31.03.2012	31.03.2011
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	131,079,500	131,079,500
Reserves and Surplus	2.2	859,612,492	859,504,321
		990,691,992	990,583,821
NON-CURRENT LIABILITIES			
CURRENT LIABILITIES			
Trade Payables	2.3	100,500	294,000
Other Current Liabilities	2.4	845,000	6,142,250
Short-Term Provision	2.5	92,786	2,940
		1,038,286	6,439,190
TOTAL		991,730,278	997,023,011
ASSETS			
NON- CURRENT ASSETS			
Non-Current Investments	2.6	807,642,800	835,720,550
Other Non- Current Assets	2.7	758,782	193,920
		808,401,582	835,914,470
CURRENT ASSETS			
Trade Receivable	2.8	165,937	232,937
Cash and Bank Balances	2.9	1,085,034	1,279,003
Short-term loans and advances	2.10	182,077,725	159,596,601
		183,328,696	161,108,541
TOTAL		991,730,278	997,023,011
Significant Accounting Policies and Notes to accounts	1		

AS PER OUR REPORT OF EVEN DATE

FOR MANABENDRA BHATTACHARYYA & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD

Amit Bhattacharjee
Proprietor
M. No : 50714
FRN. 302030E

R. P. Chowdhary
DIRECTOR

Sandip Ray
DIRECTOR

Place : KOLKATA
Date : 30th June 2012

Place : KOLKATA
Date : 30th June 2012

V . B. INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

PARTICULARS	Note No.	31.03.2012	31.03.2011
INCOME			
Revenue from operations	2.11	879,978	208,109
Other Income	2.12	488,950	67,000
TOTAL INCOME		1,368,928	275,109
EXPENSES			
Employee Cost	2.13	369,500	63,400
Other expenses	2.14	708,665	233,409
TOTAL EXPENSES		1,078,165	296,809
PROFIT BEFORE TAXATION		290,763	(21,700)
Extraordinary item		-	-
		290,763	(21,700)
Tax Expense	2.15		
Current tax		89,846	-
Earlier year income tx		92,746	730
NET PROFIT FOR THE YEAR		108,171	(22,430)
Earnings per equity share:	2.16		
Basic and Diluted (Face Value of ` 10/- each, Previous Year ` 10/- each)		0.01	(0.00)

AS PER OUR REPORT OF EVEN DATE

1

**FOR MANABENDRA BHATTACHARYYA & CO.
CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF BOARD

Amit Bhattacharjee
Proprietor
M. No : 50714
FRN. 302030E
Place : KOLKATA
Date : 30th June 2012

R. P. Chowdhary
DIRECTOR

Sandip Ray
DIRECTOR

Place : KOLKATA
Date : 30th June 2012

Statement of Cash Flow Annexed to the Balance Sheet as at 31st March, 2012

(In Rupees)

	31.03.2012	31.03.2011
A. <u>Cash Flow from Operating Activities</u>		
<i>Net Profit before tax and extraordinary Items</i>	290,763	(21,700)
<i>Adjustments for</i>		
Interest Received	879,978	208,109
Depreciation	-	1,769
<i>Operating profit before working capital changes</i>	1,170,741	188,179
<i>Adjustments for Capital Changes</i>		
Inventories	-	-
Decrease (Increase) in Trade and other Receivables	67,000	(184,149)
Decrease (Increase) Loan & Advances	(22,481,124)	(148,823,032)
Trade Payable and Provisions	(5,400,904)	6,257,139
<i>Cash Generated from operations</i>	(27,815,028)	(142,750,042)
Income Tax Liability For The Year	(89,846)	-
Extraordinary Items	(92,746)	(730)
	(182,592)	(730)
<i>Net Cash From Operating Activities</i>	(26,826,879)	(142,562,594)
B. <u>Cash Flow From Investing Activities</u>		
Decrease / (Increase) in Fixed Assets	-	1,769
Decrease / (Increase) in Investments	28,077,750	(835,720,550)
Interest Received	(879,978)	(208,109)
Depreciation	-	(1,769)
Misc. Expenditure	(564,862)	(193,920)
<i>Net Cash from Investing Activities</i>	26,632,910	(836,122,579)
C. <u>Cash Flow From Financing Activities</u>		
Proceeds from Schem of Amalgamation	-	979,795,852
Unsecured Loan	-	-
Extraordinary Items	-	-
	-	979,795,852
<i>Net Cash used in Financing Activities</i>	(193,969)	1,110,680
<i>Net Increase in Cash & Cash Equivalents</i>	193,969	(1,110,680)
<i>Opening Balance of Cash & Cash Equivalents</i>	1,279,003	168,323
<i>Closing Balance of Cash & Cash Equivalents</i>	1,085,034	1,279,003

For and on behalf of the Board

Kolkata, June 30, 2012

Ram Prakash Chowdhary.
Chairman & Managing Director

We have verified the attached Cash Flow Statement of M/s. V.B. Industries Limited, derived from Audited Financial Statements and the books and records maintained by the Company for the year ended on 31st March 2012 and found the same in agreement therewith.

For Manabendra Bhattacharyya & Co
Chartered Accountants

Kolkata, June 30, 2012

Amit Bhattacharjee
Proprietor
Membership No. 50714

V . B. INDUSTRIES LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2012

Note No.2.1 SHARE CAPITAL

Particulars	31.03.2012		31.03.2011	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-)	14,000,000	140,000,000	14,000,000	1,400,000,000
Issued, Subscribed & Paid Up:				
Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-)	13,107,950	131,079,500	960,000	9,600,000
Share Capital Suspense	-	-	12,147,950	121,479,500
Total	13,107,950	131,079,500	13,107,950	131,079,500

Reconciliation of number of shares.

Particulars	31.03.2012		31.03.2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	960,000	9,600,000	960,000	9,600,000
Add : Shares issued on Schem of Amalgamatin	12,147,950	121,479,500	-	-
Shares outstanding at the end of the year	13,107,950	131,079,500	960,000	9,600,000

The company has one class of Equity shares having a par value of ₹ 10/- each. Each shareholder is eligible to one vote per share held.

Details of Share held by shareholders holding more then 5% of the aggregate shares in the company

Name of Shareholder	31.03.2012		31.03.2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Scan Infrastructure Limited	3,222,450	24.58	-	-
Warner Multimedia Limited	3,069,500	23.42	-	-
Prime Capital Market Limited	2,480,000	18.92	-	-
Unisys Softwares & holding Ind Ltd	2,440,000	18.61	-	-
Total	11,211,950	85.54	-	-

Note No. 2.2 RESERVES AND SURPLUS

Particulars	31.03.2012	31.03.2011
	₹	₹
Securities Premium account- Openig balance	858,260,400	858,260,400
Add. Transfer from statement of profit & loss a/c	-	-
	858,260,400	858,260,400
General reserve- Openig balance	55,952	55,952
Add. Transfer from statement of profit & loss a/c	-	-
	55,952	55,952
Surplus in Profit & Loss Statement		
Opening balance	1,187,969	1,210,398
Add: Net Profit for the year	108,171	(22,430)
	1,296,140	1,187,969
Total	859,612,492	859,504,321

Note No. 2.3 TRADE PAYABLES

Particulars	31.03.2012	31.03.2011
	₹	₹
Total outstanding dues of Creditors	100,500	294,000
Total	100,500	294,000

V . B. INDUSTRIES LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2012

Note No. 2.4 OTHER CURRENT LIABILITIES

Other payables		
Provision for Expenses	15,000	61,000
Trade Advance	-	6,081,250
Share Application Money Refundable	830,000	-
Total	845,000	6,142,250

Note No. 2.5. SHORT TERM PROVISIONS

Provision for income tax	92,786	2,940
Total	92,786	2,940

Note. No 2.6 NONE CURRENT INVESTMENTS

Particulars	Numbers	Face Value	31.03.2012	31.03.2011
Long Term Investments (Trade)				
(1) IN FULLY PAID-UP EQUITY SHARES (QUOTED)				
Denim Developers Ltd	3,123,000	10.00	31,223,000	31,223,000
			31,223,000	31,223,000
(2) IN FULLY PAID-UP EQUITY SHARES (UN-QUOTED)				
Prince Tradecom Pvt Ltd	4,000,000	10.00	40,000,000	40,000,000
Satabdi Tradelink Pvt Ltd	1,500,000	10.00	15,000,000	15,000,000
Parampita Traders Pvt Ltd	75,000	10.00	30,000,000	30,000,000
Jasmin Steel Pvt Ltd	30,000	10.00	7,500,000	25,000,000
Marsh Steel Trading Ltd	30,000	10.00	7,500,000	-
Vision Steels Pvt Ltd	30,000	10.00	7,500,000	12,500,000
Diyajyoti Steels Pvt Ltd	30,000	10.00	7,500,000	12,500,000
Jmd Sounds Ltd	48,500	10.00	12,125,000	50,000,000
Sahayta Financial Consultancy Services Pvt Ltd	400,000	10.00	20,000,000	-
Shiv Mangal Vyapaar Pvt Ltd	75,000	10.00	30,000,000	30,000,000
Parampita Vinimay Pvt Ltd	75,000	10.00	30,000,000	30,000,000
Satabdi Tracon Pvt Ltd	75,000	10.00	30,000,000	30,000,000
Parampita Vinimay Pvt Ltd	75,000	10.00	30,000,000	-
Lakshya Energy Limited	5,472,000	10.00	54,720,000	54,720,000
Vulcon Power Pvt Ltd	4,015,000	10.00	40,150,000	40,150,000
Shree Ganesh Sugar Mills Pvt Ltd	5,472,000	10.00	54,720,000	54,720,000
Sargam Vintrade Pvt Ltd	161,000	10.00	32,200,000	32,200,000
Arissan Power Pvt Ltd	48,000	10.00	4,800,000	4,800,000
Toplight Tradelink Pvt Ltd	48,000	10.00	4,800,000	4,800,000
Hiltop Sales Pvt Ltd	300,000	10.00	30,000,000	10,000,000
Sudhanil Vanijya Pvt Ltd	300,000	10.00	30,000,000	20,000,000
Thunder Traders Ltd	300,000	10.00	30,000,000	20,000,000
Saltlake Vyapaar Pvt Ltd	300,000	10.00	30,000,000	20,000,000
Celecte Merchandise Pvt Ltd	100,000	10.00	10,000,000	10,000,000
Snapshot Merchants Pvt Ltd	100,000	10.00	5,000,000	5,000,000
Meghacity Kutir Pvt Ltd	100,000	10.00	10,000,000	10,000,000
Briwasi Distributors Pvt Ltd	100,000	10.00	10,000,000	10,000,000
Meghacity Enclave Ltd	100,000	10.00	10,000,000	10,000,000
Ksaizen power Limited	174,000	10.00	17,400,000	7,500,000
Gannayak Barter Pvt Ltd	25,000	10.00	10,000,000	10,000,000
Wisher Commodities Pvt Ltd	100,000	10.00	10,000,000	10,000,000
Brijdham Dealcom Pvt Ltd	100,000	10.00	10,000,000	10,000,000
Mayurpankh Vincome pvt ltd	75,000	10.00	7,500,000	10,000,000
Nirnidhi Consultant Pvt Ltd	25,000	10.00	-	10,000,000
Natraj Vinimay Pvt Ltd	25,000	10.00	-	12,500,000
Tturnkey Infrastructures Limited	6,249,900	10.00	62,499,000	62,499,000

V . B. INDUSTRIES LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2012

Note No. 2.7 OTHER NON- CURRENT ASSETS

(Unsecured Considerd Goods)		
Deferred Revenue expenditure	696,600	124,000
Preliminary expenses	62,182	69,920
Total	758,782	193,920

Note No. 2.8 TRADE RECEIVABLE

(Unsecured Considerd Goods)		
Outstanding for a period of exceeding 6 months	165,937	-
Other debts	-	232,937
Total	165,937	232,937

Note No 2.9 CASH AND BANK BALANCES

Particulars	31.03.2012	31.03.2011
	-	-
Cash and Cash Equivalents		
Balances with banks	1,065,790	1,199,686
In current accounts		
Cash in hand	19,244	79,317
Total	1,085,034	1,279,003

Note No. 2.10 SHORT-TERM LOANS & ADVANCES (Unsecured)

Particulars	31.03.2012	31.03.2011
	-	-
Considered good		
Loan	10,938,806	3,505,719
Advance(Recoverable cash or in kind and value to be received)	170,951,123	154,514,000
Tax deducted at source	187,796	76,882
Share Application	-	1,500,000
Total	182,077,725	159,596,601

V . B. INDUSTRIES LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2012

Note No.11 Other Revenue form Operation

Particulars	31.03.2012	31.03.2011
Interest on Loan	879,978	208,109
Total	879,978	208,109

Note No. 2.12 Other Income

Commission	488,950	67,000
Total	488,950	67,000

Note No. 2.13 Employee Cost

Salaries	342,000	57,000
Staff wealfare expenses	27,500	6,400
Total	369,500	63,400

Note No. 2.14 Other Expenses

Paymant to Auditor	15,000	33,000
Convyeance & Travelling Exp.	108,226	21,303
Preliminary expenses w/off	7,738	7,461
Deferred revenue expenditure w/off	77,400	-
Data Processing charges	24,000	39,500
Professional Fees	29,333	14,430
Printing & stationery	58,764	19,110
Bank Charges	2,013	35,212
Advertisements	8,750	-
Depository fee	51,043	-
Depriciation	-	1,769
Listing fee	124,845	-
Telephone charges	51,687	3,970
Filling fee	21,500	30,100
Office Maintanance Charges	114,766	27,554
Board Meeting & AGM Expenses	13,600	-
Total	708,665	233,409

Note No. 2.15 Tax Expenses

Income tax	89,846	-
Income tax previous year	92,746	730
Total	182,592	730

NOTES “1”

ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS

Significant Accounting Policies General

1. Accounting Policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.
2. Accounts of the Company have been prepared on historical cost basis and on accrual basis of Accounting as going concern.
3. Expenses and Income considered payable and receivable respectively are accounted for on accrual basis.
4. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business. The provisions of all known liabilities are adequate and not in excess of the amount reasonably necessary.

Fixed Assets

5. The Company is not having any of the Fixed Assets during the year under review.

Investments

6. Investments are valued at cost.

Revenue Recognition

7. Income is accounted on accrual basis except Dividend.

Gratuity

8. None of the Employee has completed the service period to become eligible for payment of gratuity.

Contingent Liabilities

9. No provision has been made in the books of Accounts as against income tax demand.

Others

10. None of the Raw Materials, Stores, Spares and Components consumed or purchased during the year have been imported.
11. None of the Earnings / Expenditures is in Foreign Currency.
12. Balance of Debtors, Creditors, Deposits, Loans and Advances are subject to confirmation.
13. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of business. The provision for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.

14. Investments of the Company have been considered by the management to be of a long term nature and hence they are long term investments and are valued at cost of acquisitions.
15. There was no employee receiving remuneration to the extent as laid on under section 217 (2A) of the Companies Act, 1956.

Segment Report

16. Segment reporting as defined in Accounting Standard 17 is not applicable as the Company is primarily engaged in NBFC Activities. As informed to us, there are not separate segment within the Company as defined as 17 (Segment Report).

17. Auditors Remuneration :

	31.03.2012	31.03.2011
Audit Fees	15000	33000

Related Party Transactions

18. Key Management Personnel –

a.	Mr. Ram Prakash Chowdhary	-	Managing Director
b.	Mr. Raj Kumar Sharma	-	Non-Executive Director
c.	Mr. Sandeep Ray	-	Non-Executive Director

Related Party Transactions

19. Sum of Rs. Nil has been paid to related party during the financial year under review.

Differed Tax on Income

20. Differed Income Tax reflects the impact of reversed of timing difference of earlier year. Deferred Tax is measured on the Tax rates and Tax Laws enacted or substantively enacted at the Balance Sheet date. Differed tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such differed tax assets can be realized.

Earning per Equity Share

- 21.

	Unit	31.03.2012	31.03.2011
Net Profit after Tax available for Share holders	Rs.	1,08,171	-22,430
No. of Equity Shares	No.	13107950	9,60,000
Basis & Diluted Earning Per Share (Rs.)	Rs.	0.01	(0.01)

22. Information pursuant to paragraph 98B of Non Banking Financial Companies Prudential Norms (Reserve Bank) direction, 1998 has been given in separate Annexure.
23. Previous years' figures have been regrouped, rearranged wherever necessary to make them comparable with those of current year.

As per our report of even date

For Manabandra Bhattacharyya & Co.
Chartered Accountant

Ram Prakash Chowdhary
Director

Amit Bhattacharjee
Proprietor
Membership No. 050714

Sandip Ray
Director

Kolkata, June 30, 2012

V. B. INDUSTRIES LIMITED

2, Ganesh Chandra Avenue, 2nd Floor, Kolkata 700013

PROXY FORM

I/We _____ resident of _____
in the district of _____ being member/members of the above
named Company, hereby appoint _____
resident of _____ in the district of _____
_____ or failing him _____
resident of _____ in the district of _____
_____ as my/our proxy to attend and vote for me/us on my/our
behalf at the 25th Annual General Meeting of the Company to be held on Friday, the 28th day of
September 2012 at 3.30 P.M., at Registered Office of the Company at 2, Ganesh Chandra Avenue, 2nd
Floor, Kolkata 700013 and any adjournment thereof.

Registered Folio No./DP-Client ID _____ No. of Shares held _____

Signed on this _____ day of _____ 2012

Signed by the said _____

Signature of Proxy _____

Attested by Shareholder _____



V. B. INDUSTRIES LIMITED

2, Ganesh Chandra Avenue, 2nd Floor, Kolkata 700013

ATTENDANCE SLIP

I hereby record my presence at the 25th Annual General Meeting of the Company held on Friday, the
28th day of September 2012 at 3.30 P.M, at Registered Office of the Company at 2, Ganesh Chandra
Avenue, 2nd Floor, Kolkata 700013

Name of Shareholder/s _____

Father/Husband's Name _____

Name of Proxy or Company Representative _____

Registered Folio No. / DP-Client ID _____ No. of Shares held _____

Signature of the Shareholder(s) or Proxy or Company Representative _____